Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Replacement of Part 90 by Part 88 to Revise the Private Land Mobile Radio Services and Modify the Policies Governing Them	)	PR Docket 92-235

To: The Commission

COMMENTS OF NIPPON TELEGRAPH AND TELEPHONE COMPANY

Nippon Telegraph and Telephone Company ("NTT") hereby submits its comments on the Further Notice of Proposed Rulemaking ("FNPRM") issued in the above-captioned proceeding.[1/]

I. NTT'S INTEREST IN THE PROCEEDING.

As the Commission is aware, NTT filed extensive comments and reply comments in the proceeding leading up to the adoption of the Report and Order.[2/] There, NTT detailed its research programs devoted to the development of spectrum efficient technologies. In particular, NTT has described and demonstrated[3/] for the Commission its RZ SSB technology,

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1/ Report and Order and Further Notice of Proposed Rulemaking, PR Docket No. 92-235, FCC 95-255 (June 23, 1995), ¶¶ 110-148 ("FNPRM").

2/ Report and Order and Further Notice of Proposed Rulemaking, PR Docket No. 92-235, FCC 95-255 (June 23, 1995), ¶¶ 15-109 ("Report and Order").

3/ In February of this year, several members of the Wireless Telecommunications Bureau attended a mobile demonstration of a prototype RZ SSB system conducted in the Washington D.C. area.

which is capable of both analog and digital transmission of voice or data in a 5 kHz channel in a land mobile environment.[4/] NTT is convinced that RZ SSB is capable of providing an optimal solution to many of the spectrum efficiency concerns under consideration in this proceeding.

NTT applauds the Commission's efforts to make the new Part 90 rules adopted in the Report and Order "technology neutral", allowing users to migrate immediately to spectrum-efficient 5 kHz technology such as RZ SSB.[5/] As the Commission has acknowledged, however, the new rules provide very little incentive for doing so.[6/] NTT therefore generally supports the proposals for market-based incentives contained in the FNPRM. However, as discussed below, NTT believes that these incentives alone are insufficient to inspire the sort of expeditious transition to very narrowband technology that is required to alleviate current and projected spectrum congestion.

II. NTT SUPPORTS THE MARKET-BASED INCENTIVES CONTAINED IN THE FNPRM.

NTT supports the Commission's effort to attach "an economic cost to inefficient use of the spectrum."[7/] In particular, NTT agrees that a plan offering exclusivity,

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4/ Comments of NTT, filed May 28, 1993; Reply Comments of NTT, filed July 30, 1993.

5/ Report and Order at ¶ 29.

6/ FNPRM at ¶ 110.

7/ Id.

with a right to sell excess capacity, would encourage users to migrate to more efficient technologies. Such a plan would allow users to recoup the costs of migration to narrower technology with the revenues generated from newly created capacity.

Additionally, NTT agrees with the Commission that competitive bidding could be used to assign certain licenses in the PLMRS bands. However, as discussed below, NTT does not believe the Commission's proposals relating to exclusivity and competitive bidding provide incentives for migration sufficient to achieve the Commission's goals of relieving spectrum congestion.

III. THE COMMISSION SHOULD PROVIDE MAXIMUM INCENTIVES FOR MIGRATION TO NARROWBAND TECHNOLOGY.

A. The FNPRM Proposals Do Not Provide Sufficient Incentives For Migration.

While the Commission's proposals contained in the FNPRM, if implemented, would provide some incentive to certain PLMRS users to migrate to narrowband technology, they are insufficient to promote efficient use throughout the band.

First, the "shared exclusivity" plan is very limited, requiring negotiation and agreement among current users of a given channel. If no agreement can be reached, all users on that channel have lost that incentive to migrate to narrowband technology.

Second, user fees and competitive bidding would not apply to all users, notably public safety users. Such users would have little financial incentive to migrate.[8/]

For many users, therefore, the incentives for migration under the proposals contained in the FNPRM would be weak or non-existent. This, coupled with the Report and Order's transition plan based on type-acceptance standards rather than on migration deadlines, will mean that many users will continue to use 25 kHz technology well into the twenty-first century.

B. The Commission Should Permit Users Who Migrate To Very Narrowband Technology To Utilize The Channels Cleared By Their Conversion.

The Commission has sought comment on how to treat new channels created as result of users converting to narrowband or very narrowband technologies.[9/] The incentives to migrate to more efficient technology can be maximized by allowing users who clear spectrum to use any newly created channels.[10/] For example, a current 25 kHz

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[8/] NTT agrees that imposing additional financial burdens (whether they would provide an incentive for spectrum efficiency or not) on services that directly support, e.g., a medical or public safety mission would be unwise. As is discussed below, other methods are available to promote the efficient use of the spectrum by such services.

[9/] FNPRM at ¶ 148.

[10/] In cases of shared channel usage, frequency coordination problems may arise during the transition period. However, the rules should require accommodation by coordinators of users wishing to create additional capacity by operation of several very narrowband channels to the maximum extent possible during this period.

licensee who converts to 5 kHz technology should be permitted to operate five 5 kHz channels in its 25 kHz channel.

Not only would this policy provide a great incentive for migration, it is required to achieve the Report and Order's goal of "technology neutral" rules. The Report and Order states that users can aggregate up to the equivalent of four narrowband channels provided that spectrum-efficient technology is employed.[11/] The Commission used as an example of such technology a 4-channel TDMA system.[12/] Conversion to such a system would enable a licensee to create capacity and keep that capacity for its own use.

In order for the rules to be truly "technology neutral," a user who increases efficiency by moving to narrowband technology must also be permitted to keep newly created capacity for itself. By permitting a licensee to increase its capacity by moving to a TDMA system, but not by moving to a very narrowband technology, the Commission would be clearly favoring one approach to spectrum-efficiency over another. Thus, the Commission should clarify that users may convert to narrowband technology and operate on the cleared channels.

Furthermore, a licensee who clears spectrum should be permitted to lease the capacity created if the licensee

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11/ Report and Order at ¶ 7, 24.

12/ Id. at ¶ 7.

does not need the capacity for its own operation. This option would provide not only an incentive for migration, but in many cases, the sole financial means to undertake a conversion to narrowband technology. This would also help alleviate the unfairness of the present situation, in which incumbent licenses are being asked to incur substantial conversion costs to create spectrum for the benefit of others.

CONCLUSION

The Commission should promote spectrum use that is as efficient as technically possible. Thus, new regulations must provide maximum proper market-based and other incentives for users to migrate to more spectrum efficient technology.

Respectfully submitted,

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